

1 _____ BILL NO. _____

2 INTRODUCED BY _____
3 (Primary Sponsor)

4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT CERTAIN PERSONAL PROPERTY IS NO
5 LONGER EXEMPT FROM PROPERTY TAXATION; REVISING THE DEFINITION OF "INTANGIBLE
6 PERSONAL PROPERTY"; PROVIDING A TRANSITION SECTION FOR DETERMINING WHEN CERTAIN
7 PERSONAL PROPERTY IS TREATED AS NEWLY TAXABLE PROPERTY; AMENDING SECTION 15-6-218,
8 MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11
12 **Section 1.** Section 15-6-218, MCA, is amended to read:

13 **"15-6-218. Intangible personal property exemption.** (1) Intangible personal property is exempt from
14 taxation.

15 (2) For the purposes of this section, "intangible personal property" means ~~personal property that is not~~
16 ~~tangible personal property and that:~~

17 ~~(a) has no intrinsic value but is the representative or evidence of value, including but not limited to~~
18 ~~certificates of stock, bonds, promissory notes, licenses, copyrights, patents, trademarks, contracts, custom~~
19 ~~software, and franchises; or~~

20 ~~(b) lacks physical existence, including but not limited to goodwill.~~

21 (3) To the extent that the unit value of centrally assessed property includes intangible personal
22 property, that value must be removed from the unit value."

23
24 NEW SECTION. **Section 2. Transition.** Personal property that becomes subject to taxation under the
25 provisions of [this act] on or before January 1, 2022, is not treated as newly taxable property under 15-10-420.

26
27 NEW SECTION. **Section 3. Saving clause.** [This act] does not affect rights and duties that matured,
28 penalties that were incurred, or proceedings that were begun before [the effective date of this act].

